Files Link ITT to Agnew, Connally

By Jack Anderson

Both leading prospects for the 1976 Republican presidential nomination, Vice President Spiro Agnew and ex-Treasury Secretary John Connally, have been implicated in the celebrated ITT scandal.

The charges are made in confidential ITT documents, subpoenaed and suppressed by the Securities and Exchange Commission. For months, congressmen and newsmen alike have tried to gain access to the documents, which fill 34 cardboard cartons. But the SEC and Justice Department have kept them under tight security. We still haven't been able to get hold of the original documents, but we have obtained a confidential digest of what the 34 boxes contain.

The digest shows that Connally's law firm collected fees from ITT before he became Secretary of the Treasury and that he intervened in ITT's behalf after he joined the Cabinet. An April 27, 1971, letter to Connally from ITT's Washington chief, William Merriam, thanks Connally for arranging an appointment for ITT boss Harold Geneen with Pete Peterson, then a White House aide who later became Commerce Secretary.

States the summary: "There is an indication in the letter that Geneen and Merriam were appreciative of the fact that Peterson was able to see them and indicated that Merriam and Geneen were certain that Peterson and Connally were 'instrumental in the delay.' "

This is a reference to a delay, which ITT wanted, in an ITT Supreme Court case. The digest also mentions an April 30, 1971, letter to Peterson "attaching a copy of an extension of time application filed by (Solicitor General Erwin) Griswold before the Supreme Court asking for a delay . . . Indication is that the delay was in part due to the action of the Administration."

Law Fee

Earlier, there was "a bill from and cancelled check to the Texas law firm of Vinson, Elkins, Searls and Connally," reports the digest. "This appears to be John Connally's law firm. The bill from the firm indicates that the amount charged was for services in connection with possible litigation in Texas. . . ."

Peterson told us he had met with Geneen about ITT's international problems but had not interceded to help ITT get a delay in the Supreme Court case. Peterson couldn't remember whether Connally had arranged the appointment but conceded it was possible. Connally told us he "might well have" set up the appointment, but he firmly denied trying to delay any Supreme Court matter.

The digest also tells of an August 7, 1970, letter to Vice President Agnew from Edward Gerrity, a top ITT official. "The memo," according to a summary, "consists of a thank you letter concerning an attached memo and a suggestion that Mitchell get the facts relating to ITT's position to McLaren."

Taken in context, this would appear to be part of an ITT drive in early August, 1970, to bring pressure on Richard McLaren, the Justice Department's antitrust chief, to settle an antitrust case against ITT. The Mitchell, apparently, refers to then-Attorney General John N. Mitchell.

Continuing, the digest alleges: "The attached memo outlines a meeting that had occurred on the previous Tuesday with McLaren (Agnew). It also indicates there was a friendly session between Geneen and Mitchell prior to the meeting with McLaren (Agnew)."

The Vice President's office explained that Agnew and Gerrity had served together during World War II in the Tenth Armored Division. But a spokesman declared emphatically: "The Vice President has never had any conversation about an antitrust matter."

Mitchell acknowledged meeting with Geneen on Aug. 4, 1970. But when we read the reference to his getting "the facts relating to ITT's position to McLaren," Mitchell laughed and called it "preposterous."

Backing Brazil

There were howls of protest out of Chile a few years ago over the discovery that the Defense Department was financing a study, conducted by American scholars for ostensibly academic purposes, into Chilean affairs. Now we have discovered that Pentagon money is behind a new study by Philadelphia's Foreign Policy Research Institute into the Brazilian government.

The project applauds the 1964 military takeover of Brazil and suggests that "Brazil more than any other Latin-American country, has the potential to become a major power by the 21st century." The study poses the question: "Should the U.S. encourage the emergence of Brazil as a major power . . . and if so, how can it do so?"

Many of the scholars who responded were unaware of the military nature of the study. The director of the study, Dr. William R. Kintner, a former planner for the Central Intelligence Agency and the National Security Council, said in justification of the research that other nations fund such work far more extensively than does the United States. He called the $65,000 cost of the project a "pittance."

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